Jan 27 '99



STATE OF NEW MEDICO

GENERAL SERVICES DEPARTMENT

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GARY E. JOHNSON GOVERNOR

Steven R. Beffort

Eric Liang Jensen Federal Communications Commission 1619 M Street NW Washington D.C. 20544

Re: Hearing on Basic Telephone Service for Indian Reservations

Mr. Jensen:

Based on information my office has received from various teleos and other government entities, topping the list of issues regarding telephone service to Indian reservations is the lack of telecommunications infrastructure, which also has a major impact on rural areas throughout the

The local teleos are providing the best possible services under the existing circumstances. Unfortunately, there is not a sufficient enough business case for the LEC's, (Local Exchange Carriers), to run cable or fiber to these isolated areas. In addition, they must contend with the diverse geographical nature of New Mexico. Predominantly in the northern part of the state where the numerous mountain ranges add to the cost, time and feasibility of laying in land lines. The northern third of the state is also home to the Jicarilla Apache Homeland, a large portion of the Navajo Nation and the Eight Northern Pueblos, which makes up the majority of New Mexico's Native American and rural population.

The State of New Mexico operates a Microwave Radio Network consisting of 68 towers, which blankets 90% of the state. Currently, this network provides analog transmission. However, the State is in the process of converting to a digital platform that will provide the bandwidth necessary to accommodate the latest technology, in addition to providing basic telephone service to even the most remote and under-served areas. Line-of-sight digital transmission is capable of delivering voice, video and data simultaneously, to telco provided equipment or directly to the

This enormous undertaking will require not only funding, but also collaboration between State and Tribal Governments, and all the telcos operating within New Mexico.

With proper funding and agreements in place, the 'Digital Microwave Project' can be accomplished within three years through a phased approach. Beginning with the northeast section, (phase I), working counter clock-wise, to north central, northwest, southwest, and finally southeast at a total cost of approximately 35 million dollars.

Jan 27 '99 9:23 P. 03/05

Partnering where feasible with organizations including U.S. West, KNME and the Army National Guard will not only reduce the burden to taxpayers and expedite the entire project, but will also eliminate redundant networks.

GSD received 2.2 million dollars through General Obligation Bonds from the 1998 Legislative Session. A significant amount, however far less than the funding required to complete Phase I. In the 1999 Legislative Session the GSD is requesting an additional 12 million dollars for the completion of Phases I and II. Provided the necessary funds have been secured, Phase III, northwest, is slated to begin in the Spring of 2000. This area of the state is unique in that it is home to a large Native American population, several rural communities and one of the larger cities in northern New Mexico, all lacking sufficient telecomm infrastructure. In addition, this area offers the best opportunities for collaborating with the local telecos.

The key to the overall success of this initiative is cooperation. Possible funding, regulatory and legislative assistance from the F.C.C. will ensure the continued success of the project. On the part of the telcos, a willingness to collaborate with state and federal agencies toward this common goal will provide a solid foundation for a lasting partnership. The Tribal governments will have to provide the necessary right-of-ways and possible site agreements in order to expand these basic and advanced services to all the members of their communities.

Respectfully,

Steven Beffort Cabinet Secretary, GSD